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SUBJECT: BOEING PRESENTATION WELL RECEIVED BY AIR MAD

¶1. (SBU) A perfectly-timed Boeing visit to Madagascar September 24-28 included a sales presentation for new long-haul aircraft to the Board of Directors of Air Madagascar. Consistent with President Ravalomanana's recent pledge to "keep Air Madagascar a Boeing airline," Board members were reportedly very engaged during the presentation. Air Madagascar executives also spent one full day with the Boeing fleet management advisor and a representative of Boeing Capital to offer services on Air Madagascar's fleet needs.

¶2. (SBU) The Boeing team arrived one week after the GOM cancelled the management contract of Lufthansa Consulting and fired Director General Ulrich Link. Acting Director General Olivier Robinson, a senior Malagasy telecommunications official who was recently appointed to Air Madagascar, will run the airline until a new leader is found. While Robinson is new to the airline business, he is a decisive and dynamic senior official who we expect to breathe new life into Air Madagascar. The Boeing team was impressed with the amount of time and attention they received from Robinson.

¶3. (SBU) At a reception September 28, Acting DG Robinson was effusive with gratitude for Boeing's visit. New to Air Madagascar, he faces a crisis in which four long-haul aircraft must be replaced starting in the first quarter of 2008. He suspects former Air Mad DG Link was pushing for Air Bus behind the scenes, noting the European airline made an unexpected proposal to the Board a few weeks ago. With directives both to acquire Boeing aircraft and to maintain Air Mad's international presence on Paris and Bangkok routes, Robinson was pleased at the level of service offered by Boeing. PolEcon Chief shared Boeing's equally-positive reaction with Robinson, reporting the four Boeing executives had the maximum access possible to offer fleet solutions and finance options.

¶4. (SBU) Before departing, the Boeing team also reported on meetings with Minister of Finance Radavidson and Minister of Transportation LaPorte. The former, who has been preoccupied campaigning for the National Assembly, was reportedly ignorant of the financial implications for the GOM regarding Air Madagascar. Fortunately Minister LaPorte, previously President Ravalomanana's Chief of Staff, was fully-briefed and enthusiastic. According to Boeing, LaPorte returned early from a conference outside of Antananarivo to meet them and provide his full support.

Bridging The Gap

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¶5. (SBU) Boeing continues to actively support Air Madagascar's efforts to find aircraft to bridge the gap between obsolescence in 2008 and delivery in 2012-16. In the last six months, according to Boeing, the company has provided four leads on used aircraft

available for lease or purchase. Air Madagascar and the GOM have missed each opportunity, however, because the bureaucracy to approve acquisitions was too slow and the planes were quickly gone from the market. Air Madagascar's Robinson accepted the Boeing suggestion that pre-approval be sought for a given model aircraft at a given cost so the airline will be nimble enough to take advantage of the next opportunity.

MARQUARDT